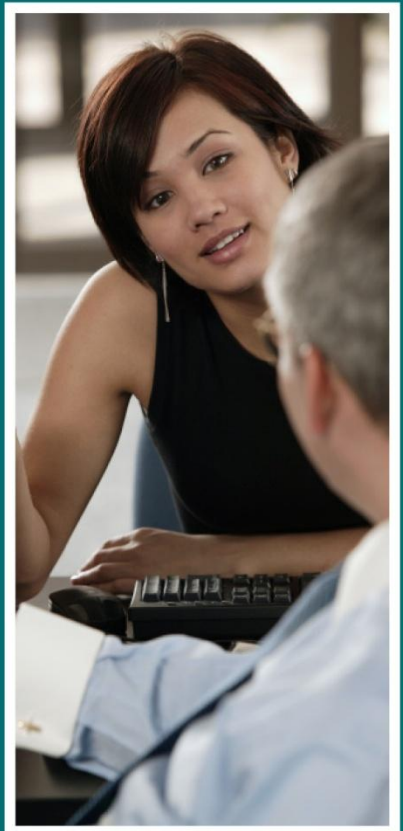


Enterprise Workforce Report



Workforce Services Division



State Personnel Administration

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Executive Summary

On an annual basis, the State Personnel Administration (SPA) assesses its human capital resources and provides workforce recommendations to the General Assembly for legislative approval and funding. The Enterprise Workforce Report identifies common trends that impact the state's workforce and ultimately the services that are rendered to Georgia's citizens. State agencies continue to support Georgia in becoming the "Best Managed State" by identifying and implementing workforce strategies that will yield a competent, knowledgeable, and skilled workforce. The following report contains aggregated data from workforce and strategic plans submitted for FY11.

Environmental scanning for FY11 indicates Georgia faces high unemployment rates, rising incarceration rates, increasing primary and secondary school enrollments and a quickly growing population. Consequently, the state's workforce is dealing with increased workloads and rising expectations to do "more with less". Workforce challenges are further exacerbated due to training and development needs, as well as, high voluntary turnover within critical jobs in the law enforcement and health fields. Additionally, pending retirements and the need for effective management of generational differences in the workplace reinforce the importance of workforce planning.

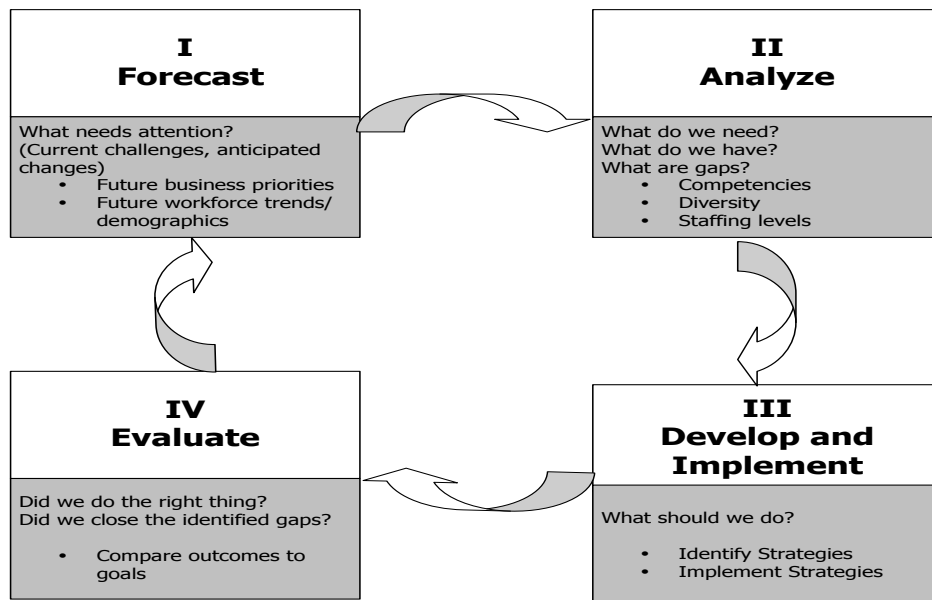
Approximately 85% of agencies that submitted workforce plans recommended human resource strategies that will assist them with training and development of current employees, as well as, help with coaching employees. Agencies recognize talent is essential for success and understand the need for developing their employees. As high potential performers are preparing to assume positions of leadership, the state has taken steps to save its institutional knowledge. Georgia continues to focus on enterprise succession planning initiatives through the Georgia Leadership Institute's Executive Leadership Development Program. Effective succession planning fosters management development and helps sustain a competent workforce.

The return-on-investment associated with the implementation of human resource strategies to close agency workforce gaps is projected to exceed \$22.5 million versus the implementation costs of \$864,202. The implementation of these strategies will provide a substantial savings across the enterprise.

Workforce Planning Model

The State of Georgia has been engaged in Workforce Planning since 2001. Workforce planning is a systematic, proactive process, which aligns strategic planning, human capital, and budgeting to meet organizational goals and objectives. Agencies across the state designed, and now operate under the following four-step model:

- Forecasting mission critical talent needs
- Analyzing current workforce and talent supply
- Developing and implementing strategies
- Evaluating strategies to close staffing, competency and diversity gaps



Georgia's Workforce Planning Law

Each agency shall develop an annual workforce plan according to statewide criteria and guidelines and shall provide a report of such plan annually to the State Personnel Administration for incorporation into the statewide workforce plan to be submitted to the Governor and the General Assembly. (O.C.G.A. 45-20-1- section E)

Georgia State Government Workforce Demographics

| | |
|---|---------------------------------|
| Total employees ¹ regular/benefit-eligible: | 75,121 |
| Employees by classification status | |
| Classified: | 11,181 |
| Unclassified: | 63,940 |
| Total number of employees on Statewide Salary Plan (SWD) | 65,029 |
| Total number of employees on Senior Executive Plan (SRE) | 630 |
| Total number of employees on other salary plans (i.e., agency specific, medical, teachers, judicial and legislative branches) | 9,462 |
| Gender composition of workforce ² : | |
| Males | 37.3% |
| Females | 62.8% |
| Ethnic/racial composition of workforce ³ : | |
| Caucasian | 50.5% |
| African American | 45.9% |
| Hispanic | 1.4% |
| Asian | 1.0% |
| Average Salary – All Employees | \$38,024 (up 2.8%) |
| Average Age | 45 (no change) |
| Average Tenure | 9 years (no change) |
| Total Overall Turnover Rate | 13.8% (up from 13.6%) |

¹ Employee count includes all non-temporary employees working in state agencies utilizing the PeopleSoft HRMS system as of July 1, 2010.

² Totals may add to more or less than 100% due to rounding.

³ Multiracial, Hawaiian/Pacific Islander, American Indian equal approximately 1.4% of the state's workforce combined.

Georgia's Strategic Policy Areas

| Policy Area | State Goal | Agency |
|---------------------------|---|--|
| Educated Georgia | <ul style="list-style-type: none"> • Improve student achievement • Enhance the quality of the education workforce • Improve workforce readiness skills | <ul style="list-style-type: none"> • Bright from the Start • Education, State Board of • Student Finance Commission, Georgia • Teachers' Retirement System • Technical College System of Georgia |
| Healthy Georgia | <ul style="list-style-type: none"> • Encourage healthy lifestyles through preventative care, disease management and early intervention • Improve access to quality health care at an affordable cost • Promote the most productive and independent lifestyle possible for Georgia's vulnerable citizens • Deliver health care programs efficiently and effectively • Encourage healthy lifestyles through preventative care, disease management and early intervention | <ul style="list-style-type: none"> • Behavioral Health and Developmental Disabilities • Community Health, Dept of • Human Services, Dept of • Veterans Service, Dept of |
| Safe Georgia | <ul style="list-style-type: none"> • Promote safe communities and stable families where children can thrive • Provide a safe environment where Georgians live, work and play • Provide a safe and secure state by effectively managing and rehabilitating offenders • Promote homeland security and emergency preparedness for natural and man-made disasters or acts of terrorism • Reduce loss of life and injury on Georgia's roads | <ul style="list-style-type: none"> • Corrections, Dept of • Defense, Dept of • Investigation, Georgia Bureau of • Juvenile Justice, Dept of • Pardons and Paroles, State Board of • Public Safety, Dept of • Public Safety Training Center |
| Growing Georgia | <ul style="list-style-type: none"> • Increase quality jobs and promote innovation and investment in Georgia • Expand the economic impact of tourism and recreation throughout the state • Improve mobility of people and goods within and through the state and metro Atlanta area • Improve overall environmental quality and conservation practices | <ul style="list-style-type: none"> • Agriculture, Dept of • Community Affairs, Dept of • Economic Development, Dept of • Environmental Facilities Authority, Georgia • Transportation, Dept of |
| Best Managed State | <ul style="list-style-type: none"> • Employ an enterprise approach and best practices in its financial management • Deliver faster, friendlier, and easier state services • Manage Georgia's infrastructure and be accountable stewards of its assets • Make state government an attractive place to work and build a career • Create assets for Georgia's decision makers to access quality information through integrated enterprise systems | <ul style="list-style-type: none"> • Accounting Office, State • Administrative Hearings, Office of State • Administrative Services, Dept of • Audits and Accounts, Dept of • Banking and Finance, Dept of • Children and Families, Governor's Office for • Driver Services, Dept of • Employees' Retirement System • Forestry Commission, State • Gov's Office of Customer Service • Insurance, Office of Commissioner • Labor, Dept of • Law, Dept of • Natural Resources, Dept of • Gov's Office of Planning and Budget • Public Service Commission • Professional Standards Commission, Georgia • Revenue, Dept of • Secretary of State • Soil & Water Conservation Comm. • State Personnel Administration • Technology Authority, Georgia • Treasury and Fiscal Services, Office of • Workers' Comp, State Board |

Workforce Forecast & Trends

Forecasting involves projecting trends and priorities that could affect the workforce. Pending retirements, lagging compensation, vacant positions because of budget shortfalls, voluntary turnover and the need for more professional development are trends most cited by agencies in their workforce plan submissions.

| Workforce Trend (29 agencies) | % of Agencies Reported | Forecast – Agency Description(s) |
|---|-------------------------------|---|
| Retirement | 72% | Aging workforce...senior/tenured knowledge workers will soon be exiting the workforce. |
| Compensation Constraints | 72% | Salary lags labor market – impacts ability to effectively compete with private sector. |
| Vacant Positions due to Budgetary Constraints | 66% | Forced to operate with long-term vacancies – impacts effective delivery service to Georgia citizens and visitors. |
| Voluntary Turnover | 62% | High resignation rates among employees have led to an inadequate labor supply in some critical jobs. |
| Professional Development | 62% | Professional development is necessary to retain and develop employees for job enhancement, rotation and enrichment. Training is essential for ensuring employees are knowledgeable with respect to industry best practices. |

Critical Positions by Job Family

A critical position is identified as one that is vital to an agency's operation. When critical positions are inadequately staffed, state agencies have difficulty in functioning properly and providing essential services. State agencies identified their most critical positions. The following analysis groups the positions by job family classification.

| Job Family | % of Identified Critical Positions |
|---|---|
| Public Safety/Corrections/Investigations | 22.1% |
| General Support Services | 13.0% |
| Financial Management/Revenue | 10.4% |
| Unspecified | 7.8% |
| Social Services/Counseling | 6.5% |
| Regulatory Compliance | 6.5% |
| Legal | 6.5% |
| Parks, Recreation, and Natural Resource Mgt | 5.2% |
| Education, Instruction, and Testing | 5.2% |
| Health Care | 5.2% |
| Information/Telecommunication Systems | 5.2% |
| Personnel Administration | 2.6% |
| Facilities, Materials, and Equipment | 1.3% |
| Engineering/Technology Support | 1.3% |
| Laboratory Services/Physical Sciences | 1.3% |
| Grand Total | 100.0% |

Environmental Scan

| | |
|---------------------|---|
| Key Findings | <ul style="list-style-type: none">▪ Georgia's population will increase by 46.8% between 2000 and 2030.▪ 1 out of 3 people moving to Georgia are immigrants.▪ Almost 80% of employers expect an increase of employees working past their desired retirement age.▪ About 45% of employers expect difficulty in retaining critical-skill employees; 41% expect difficulty in attracting them. |
|---------------------|---|

Population Growth in Georgia

- Georgia is expected to have over 12 million people in 2030, taking it from the 10th most populous state in the nation in 2000 to number 8 in 2030.
- Two of Georgia's metropolitan statistical areas rank among the country's 25 fastest growing areas. Gainesville, with a growth rate of 29%, ranks 9th and Atlanta-Sandy Springs-Marietta ranks 22nd among the nation's 363 metropolitan areas. Within the Atlanta MSA, six counties have experienced growth rates exceeding 40% (Barrow, Cherokee, Forsyth, Henry, Newton and Paulding).

Source: Georgia Governor's Office of Planning and Budget, 2009

Georgia's growing population impacts agencies' ability to provide essential services to Georgia's citizens and visitors.

An Aging Population

- The average life expectancy in the United States is projected to increase from 78 in 2010 to 83.1 years in 2050, a clear indication of an aging population.
- Between 2000 and 2030, the population of individuals age 65 and older is expected to increase 143%.
- By 2030, the U.S. Census Bureau projects the 65 and over population to be twice as large as it was in 2000; constituting 72 million people (20% of the national population).

Source: Georgia Governor's Office of Planning and Budget, 2009

- Between 2008 and 2018, the "55 and older" age bracket of the workforce is expected to grow by 43%. The group of workers between ages 65 and 74 is expected to grow 81.4% between 2008 and 2018.

Source: Bureau of Labor Statistics, 2010

Signs of a Recovering, But Still Uncertain Economy...

- According to the Conference Board, the number of job openings in the United States increased 12.3% between January 2010 and May 2010.
- According to the Bureau of Labor Statistics, The state's unemployment rate has been approximately 10.0% since July 2009. As of July 2010, the unemployment rate decreased slightly to 9.9%.
- According to the U.S. Department of Labor, the unemployment rate is projected to drop from approximately 10% in 2010 to 5% in 2013.
- According to the Conference Board, the number of new online advertisements for the positions in the State of Georgia was almost 65,000 in June 2010. This was an increase of 25% from the same period in 2009.
- According to the Bureau of Labor Statistics, the U.S. labor market increased by approximately 723,000 jobs between January 2010 and August 2010.

Georgia's agencies are taking a proactive stance to attract and retain the best talent due to increased competition among applicants in the labor market. Effective recruitment, development and retention strategies are critical in becoming an "employer of choice".

The Impact of Social Networking on Employee Engagement

- About 45% of Generation Y employees (born between 1980 and 1988) interact with social networking sites between 30 and 60 minutes per day for learning at work. About one-third of Generation X employees (born between 1965 and 1979)...
- Almost 83% of employees expect to use social media to facilitate training over the next three years.
- ...Employers that are not embracing social networking risk being overshadowed, as undergraduates become increasingly social media savvy and expect businesses to do the same.

Source: WorldatWork, 2009

Innovative employers have implemented policies in the area of social networking to encourage their employees to use this form of communication. The State of Georgia is actively researching social networking trends and identifying best practices for public sector entities.

Turnover

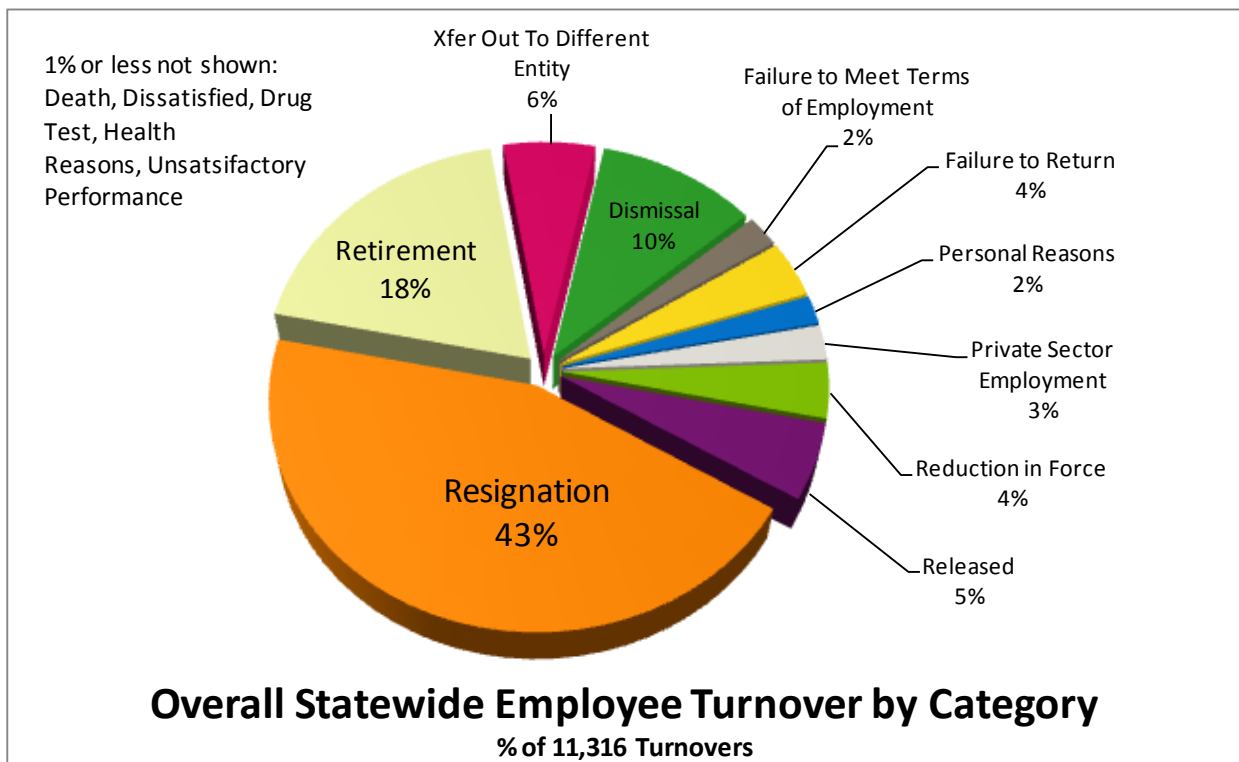
As of June 2010, overall turnover benchmarks in other workforce sectors include:

| <u>Workforce Sector</u> | <u>Turnover Rate</u> |
|----------------------------|----------------------|
| Private Sector | 20.4% |
| State of Georgia | 13.8% |
| Federal Government | 10.8% |
| State and Local Government | 8.4% |

- Almost half of U.S. employees between ages 20 and 24 have been with their current employer for a year or less, 13% have up to 23 months, and 12% have two years of tenure. These statistics reinforce the importance of generating early employee engagement to increase retention, build long-lasting relationships, and develop emerging leaders.

Source: Bureau of Labor Statistics, 2010

Employee Turnover by Category



- For FY10, the external⁴ turnover rate in the state including all voluntary and involuntary terminations was 13.8%.
- The total external voluntary turnover rate (including retirements) in the State of Georgia is currently 10.4% (7,992 total voluntary terminations).

⁴ External turnover includes former state employees who leave state government due to resignation, layoff or retirement. Agency transfers are not classified as external turnover.

- The involuntary turnover rate increased to 3.3% from 3.2% last FY (2,545 total involuntary terminations).
- Resignations decreased from 45% to 43%.
- Retirements slightly increased from 17% to 18.5%.
- Reductions in Force and other releases remained at 9%.
- The percentage of interagency transfers decreased to 5.8%. Dismissals were relatively unchanged.

Generational Differences

According to Randstad USA's 2008 WorldAtWork survey:

- While 54% of employees are expected to look for a new job after the recession ends, 71% of Generation Y is expected to do the same. With strategic positioning and marketing, Georgia can take advantage of this resurgence of younger candidates from the labor pool.
- 51% of Baby Boomers and 66% of Matures have little or no interaction with Generation Y colleagues in the workplace, complicating the transfer of institutional knowledge from older to younger workers.
- With strong social skills, Generation X has the most potential to bridge the knowledge gap between Baby Boomers and Generation Y.

The following is a list of terms and key characteristics used to describe co-workers in same generational cohort:

| Generation Y (born 1980 – 1988) | Generation X (born 1965 – 1979) | Baby Boomers (born 1946 – 1964) | Matures (born 1900 – 1945) |
|---|---|---|--|
| <ul style="list-style-type: none"> • Makes personal friends at the workplace • Sociable • Thinks out of the box • Open to new ideas • Friendly | <ul style="list-style-type: none"> • Confident • Competent • Willing to take responsibility • Willing to put in the extra time to get the job done • Ethical | <ul style="list-style-type: none"> • Strong work ethic • Competent • Ethical • Ability to handle a crisis • Willing to take on responsibility • Good communication skills | <ul style="list-style-type: none"> • Strong work ethic • Ethical • Committed to the company • Competent • Confident |

Source: WorldAtWork Study, 2008

Generational differences have also had an impact on the state's workforce. As of July 2010, generational differences reflected in the state's workforce include:

- Approximately 49% of the workforce is currently over age 45.
- The state's average employee age is 44.9.
- Approximately 19% of employees are over age 55.
- Average age of employees when hired is 35 years.
- Georgia has nine agencies where the average employee age is 50 or older: Georgia Student Finance Commission, Subsequent Injury Trust Fund, Department of Veterans Service, Superior Courts, Georgia Correctional Industries, Supreme Court, Georgia Building Authority, Office of Insurance and Safety Fire Commissioner and State Board of Workers' Compensation.
- Five agencies in Georgia with the youngest population include the Department of Audits, Juvenile Justice, Department of Corrections, Department of Public Safety, Department of

Human Services, Division of Family and Children Services and Georgia Bureau of Investigations (average age under 43).

- The Department of Veterans Services, Georgia State Financing and Investment Commission, Superior Courts, and the Department of Education have an average employee age at hire of 40 or higher.
- The Department of Public Safety and Department of Audits have an average employee age at hire of less than 30.

As Baby Boomers continue to retire, there will be a loss of institutional knowledge if it is not transferred to younger employees. The State of Georgia encourages employees of all generations to work together to ensure knowledge is shared among employees and retained in the organization.

Tenure

- In the United States, state government employees had a median tenure of 6.5 years, almost double the median tenure of private sector employees of 3.6 years. Longer tenure among workers in public sector is partially explained by a higher share of workers age 35 and over.

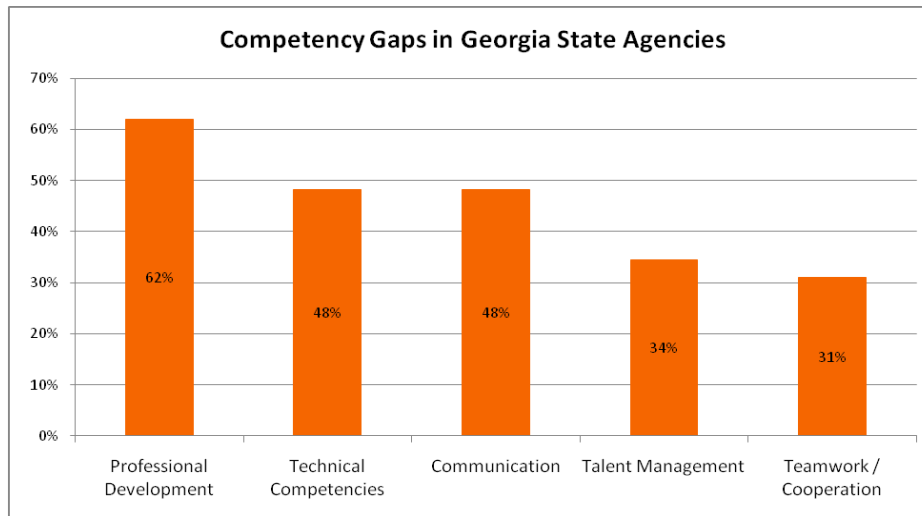
Source: Bureau of Labor Statistics, 2010

The following are some facts regarding tenure of Georgia state government employees:

- The average tenure of state employees is 9.8 years.
- About 38% of state employees have been employed with the state five years or less.
- Approximately 23% of state employees have six to ten years of employment with the state.
- Public Defender Standards Council, State Road and Tollway Authority, the Department of Education, Department of Juvenile Justice, Georgia Regional Transportation Authority, Georgia World Congress Center and Georgia State Financing and Investment Commission have average employee tenure of less than 8 years.
- The Georgia Student Finance Commission's average employee tenure is in excess of 17 years.

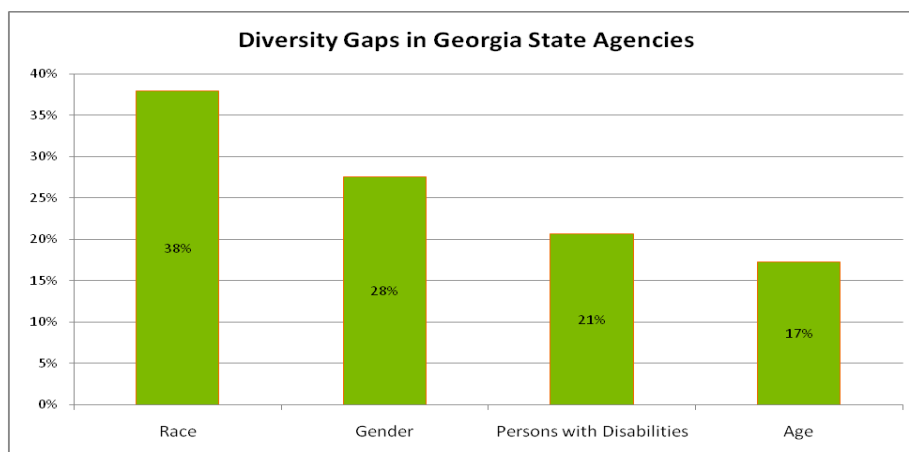
Staffing, Competency and Diversity Gap Analysis

Competency gaps are categorized in Georgia as either behavioral or technical. A **behavioral competency** is defined as behavior, knowledge, skills, abilities, and other characteristics that contribute to individual success in the organization. They can apply to all or most jobs in an organization or be specific to a job family, career level, or position. A **technical competency** is specific knowledge and skills needed to perform one's job effectively. Technical competencies are job specific and relate to success in a given job or job family.



The top five reasons for competency gaps in state agencies are professional development, technical competencies, communication, talent management, and teamwork and cooperation.

Diversity gaps⁵ are present when employee demographics are not reflective of the communities/customers agencies serve with respect to age, race, gender and persons with disabilities.

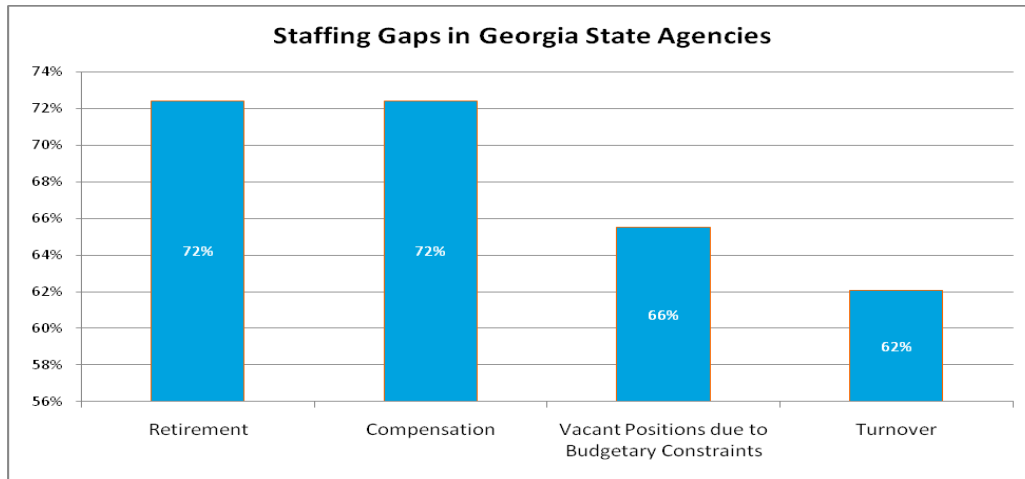


Agencies reported challenges with respect to their ability to attract and retain persons with disabilities, as well as, other employees based on race, gender and age.

No study has identified how many Americans have non-visible disabilities, but more than 18% of Americans report some level of disability. (Henneman, 2010)

⁵ Asians and Hispanics are underrepresented in Georgia state government. Asians comprise 1.0% in Georgia state government vs 2.1% of Georgia's labor force. Hispanics comprise 1.4% in Georgia state government vs 5.1% of Georgia's labor force.

Staffing gaps focus on issues, such as, unequal supply and demand of staff in key positions. When creating workforce plans, agencies identified critical positions that were most affected by attrition or were the most difficult to fill.



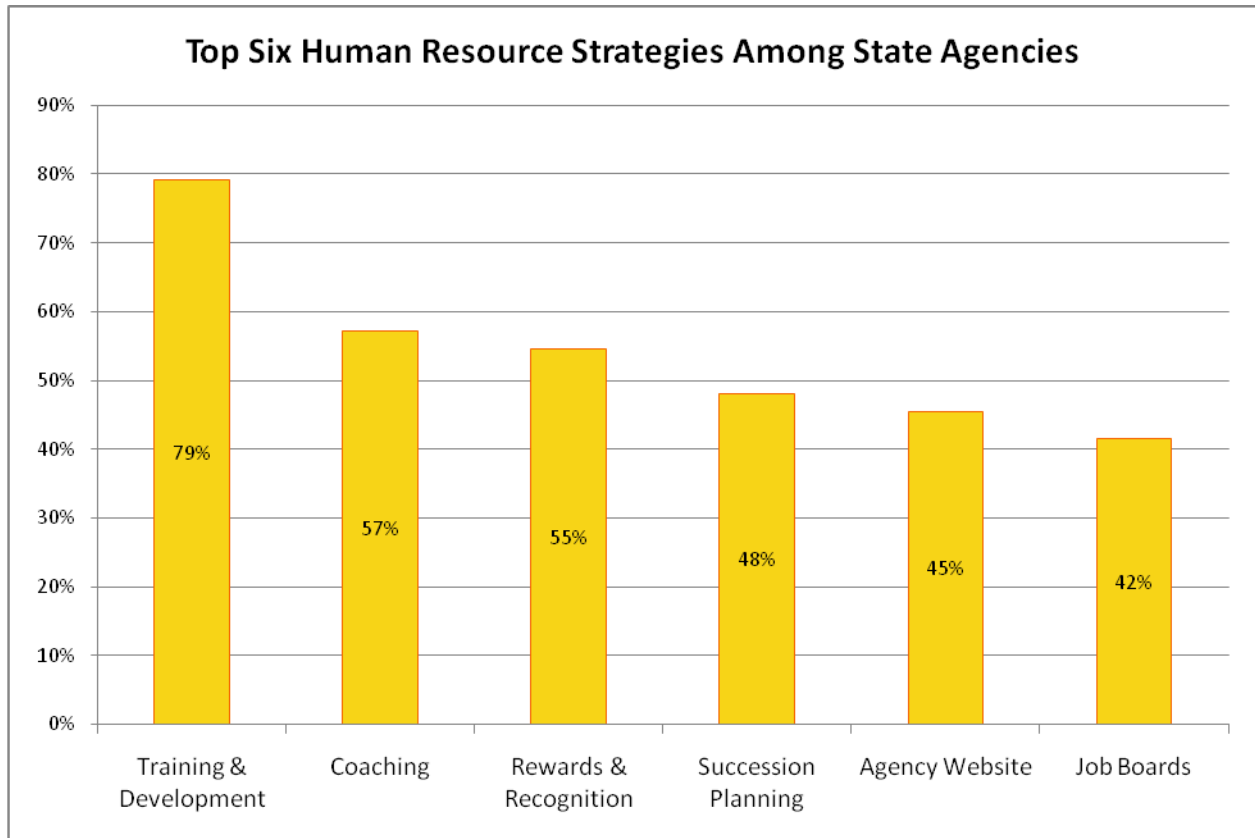
The top four reasons for staffing gaps in state agencies are pending or recent retirements, compensation, vacant positions due to budgetary constraints and voluntary turnover.

A trend analysis was conducted to determine the significance of staffing implications identified via agency **strategic plans** submitted in HORIZON, Georgia's enterprise strategic planning database. Several agencies identified strategic initiatives that require an additional one to three staff members; however, most agencies indicated no additional staff would be needed, or no funding is available for additional staff. Increased turnover (due in part to pending retirements) was forecasted by several agencies. Health care professionals were identified as the most prevalent occupational growth area where additional staff will be needed.

Workforce Strategies

Human resource strategies that will be executed in Georgia to close workforce gaps have been grouped into three categories; Recruitment, Retention, and Development.

The top six strategies for state agencies are training and development, coaching, rewards and recognition, succession planning, agency websites and job boards. Resources used to support the top strategies include:



Training & Development

- Encouraging employees to collaborate with professional associations to enhance specialized expertise through courses, meetings and networking sessions.
- Providing opportunities for employees to secure certifications in their respective fields.
- Creating Individual Development Plan (IDP) for employees and establish management review process to assess progress.

High performers are nearly 40% more likely to have a process that enables them to identify development gaps in their next generation of leaders. They are more likely to use tools and training to develop leadership competencies, and to gather data to gauge the programs' effectiveness afterward. (Kiger, 2010)

Coaching

- Discovering, clarifying, and aligning with what an employee wants and needs to achieve in the workplace by interviewing, informal discussions, and observations.
- Encouraging employees' self-discovery by questionnaires, career assessments, and personality assessments.
- Eliciting employee-generated solutions and strategies by hands-on activities that transfer key skills to the "live" environment.

Source: International Coach Federation, 2010

Rewards & Recognition

- Participating in reward and recognition programs, where individuals and work teams are identified for their achievement.
- Increasing employee engagement and workplace satisfaction by assigning employees to projects that will provide them with growth and development.

In the book *Drive: The Surprising Truth About What Motivates Us*, author Daniel H. Pink asserts that financial rewards motivate people only when tasks are routine. According to Pink, when a job demands creative thinking, anticipated performance-based financial incentives can actually decrease motivation by focusing attention on the reward, not the task. Pink says the best reward for creative work is intangible and that praise and positive feedback are much less corrosive than cash and trophies. (Testa, 2010)

Succession Planning

- Identifying and developing candidates for key leadership and professional positions.
- Preparing high-potential performers to assume leadership positions before senior-level vacancies become available.

Georgia state agencies may engage high potential performers in leadership development by using the following resources:

- Executive Leadership Development Program (ELDP)
- Georgia Leadership Institute (GLI)
- Individual Development Plan (IDP)
- Leadership Competency Seminars
- Executive Team Led Discussions/Meetings
- Mentors

Agency Website/Job Boards

- Utilizing www.careers.ga.gov, the state's central job posting website, to attract and recruit new talent.
- Ensuring agency websites are user-friendly, leading to a larger, more qualified recruitment pool.

Georgia's Response to Address Workforce Challenges

SPA continues to make progress helping Georgia become the “best managed” state in the nation. In partnership with other state agencies, SPA executed and continued to develop several enterprise-wide initiatives to address workforce challenges during FY10. Georgia’s workforce initiatives are detailed below.

Compensation Planning

In July 2009, SPA conducted a survey of state agencies’ overall satisfaction with the newly implemented job classification system. The goal of the survey was to receive agencies’ feedback of the new system one year after implementation. The data gathered from the survey was evaluated and utilized to improve the overall job classification system. The job descriptions have been revised and are scheduled for execution during the first quarter of FY11.

Due to the state’s current budget situation and fiscal constraints, the implementation of the new pay system has been put on hold. SPA is currently researching alternate methods to successful completion of this phase of the project in this economic environment.

Employee Benefits (Flexible Benefits)

SPA announced the implementation of the *GaBreeze – Your Benefits Resource (YBR)*, the new flexible benefits administration system in April 2010. As part of this new system, employees experience a comprehensive, self-service system for managing their benefits 24 hours, seven days a week. They are able to receive valuable information such as coverage details, claim forms, find benefit providers, make beneficiary updates and enroll in benefits during the annual enrollment period. For those employees without access to a computer, a benefits customer service center is only a phone call away. Subsequently, *Your Total Rewards (YTR)* was introduced and includes a personalized, online solution that gives employees a real-time summary of the total value of their pay and benefits. This summary illustrates the total investment that the state provides the employee, which is an excellent tool for attracting and retaining top talent. *GaBreeze* allows employees to manage their own benefits through automation, resulting in multiple efficiencies and cost savings to agencies and the benefits administration process.

SPA also renegotiated benefit vendor contracts that resulted in approximately \$20 million in benefit savings and benefit enhancements to employees. Additionally, premium reductions along with some increases in coverage occurred during the 2008-2010 plan years.

Work Away Program

The Work Away Program is a statewide initiative that encourages telework and flexible work scheduling options for eligible employees. Telework offers employees a more productive working environment with fewer distractions. Both telework and scheduling options have been shown to positively influence job performance, job satisfaction, employee morale, and absenteeism. Currently

45% of state employees participate in the program. Through participating state agencies, the increase in monthly commute miles saved ranges from 5.9 million to 6.1 million.

Workforce flexibilities can generate a wide range of benefits, including cost savings on real estate, infrastructure and energy use; and improve how agencies deliver services. Teleworking and other flexibilities can also help recruit and retain talent; improve employee performance, job satisfaction and work-life balance; and decrease the costs of commuting by getting employees off the road or by allowing nontraditional hours that can shorten commutes. For society as a whole, telework is a way to relieve traffic congestion and reduce auto emissions that pollute the environment. (Lavigna, 2010)

HR Shared Services

SPA implemented an HR Shared Services model as a new business strategy. The purpose of the strategy is to improve efficiency, reduce costs of human resource delivery, and promote HR best practices across the enterprise. With the Shared Services model, SPA functions as a centralized organization that handles the transactional component of HR. Combining Shared Services with SPA's existing strategic role makes SPA a full-service HR organization and leverages HR expertise across the enterprise. Agencies participating in the Shared Services model are able to focus on their core mission while SPA handles their HR needs. SPA Shared Services' customer base is expected to grow to at least 20 agencies by the end of the fiscal year. Over 900 state employees are currently covered by the Shared Services business model. HR Shared Services has already reduced administrative costs, reduced transaction errors and generated greater employee satisfaction. Currently, up to 2,900 HR transactions are performed each month with an estimated fiscal savings of \$1 million in the first year. In future years, shared services will create savings of at least \$3 million annually.

Strategic Recruitment

The enhanced Careers.ga.gov website will host a role-based applicant tracking system (ATS) with new features such as resume parsing, keyword and database searches. These are only a few of the enhancements that will allow agency representatives to source for the "right talent" by identifying specific skills, education, experience, and certifications. The ATS will help to significantly reduce the time required to fill positions for state agencies.

Employment Testing and Assessments

SPA launched the state's WorkReady Assessment Center at the Floyd Towers in Atlanta. Implementation included partnering with the statewide Work Keys (WorkReady) program to leverage an existing tool to deliver automated testing services to state job applicants. More than 18,000 pre-employment tests and 2,000 assessments have been administered. In conjunction with the implementation of Work Keys, SPA implemented Rapid Process Improvement (RPI) for the testing center located at the Floyd Towers. As a result, we have seen improvements in customer service delivery due to reduced wait times by the test candidates.

In May 2010, computerized pre-employment testing replaced paper-based testing at the Atlanta Assessment Center. The application administers examinations and interfaces with Careers.ga.gov to post exam scores.

Benefits of the computerized testing include:

- Faster exam scoring for applicants and agency hiring managers
- Cost savings due to the elimination of paper exams and mailed applicant notifications
- Reduce the need for physical storage space
- Better scheduling and allocation of staff
- Greater accessibility to examination statistics

Expansion of computerized testing to satellite locations is planned for FY11.

Employee Recognition – Faithful Service Awards

The Faithful Service Awards Program was established by the Georgia General Assembly to help attract and retain employees by recognizing their service to the citizens of the State of Georgia. Through this program, approximately 13,000 state employees are recognized annually, beginning with five years of total service and every five years thereafter.

Enterprise Recommendations

According to a survey conducted by the Center for State and Local Excellence late last year with IPMA-HR and the National Association of State Personnel Executive (NASPE), economic realities are consuming much of the time and attention of human resource managers; most states and localities have had to impose hiring freezes (65%), pay freezes (62%), layoffs (40%) or furloughs (30%). (Kellar, 2010)

The State of Georgia has taken a strategic approach to manage the volatile economic pressure impacting state employees:

- Implement HR Shared Services to allow agencies to focus on their core business, and maximize productivity and cost savings across the enterprise.
- Identify creative methods by which state government can attract and retain top talent. Boosting marketing efforts that highlight benefits of state government such as substantial paid time off policies and flexible work programs (e.g., telework, four-day workweeks, etc.) are great incentives for prospective employees. Agencies are encouraged to promote the use of flexible scheduling options to help employees balance work and life (e.g., elder care) and save money, primarily in commuting expenses.
- Expand best practices that foster good working relationships between generations and help retain institutional knowledge such as succession planning, mentoring, coaching, team building and knowledge management.
- Invest in employee training and development, particularly in the areas of technical proficiency, and the development of “soft skills”, such as, team leadership and customer service.
- Leverage older workers through part-time or phased retirement programs that provide increased work-life balance.
- Create a “Career Exchange Program” or an inter-agency job rotation program in which an employee works at various agencies to gain a broader perspective of the enterprise. This initiative may work best as a college internship program for recent college graduates who can make rotations in entry-level positions through several agencies in the first few years of state government employment. After the program has been completed, interns can secure employment in state government in existing vacancies throughout the enterprise.
- Encourage central office employees to work in the field to get a better understanding of the work, which can also help guide decision making among senior leaders.
- Conduct exit interviews for all employees that leave state government, which will provide agencies and the enterprise more specific and possibly candid reasons for turnover. Thereby, an enterprise action plan could be developed based on interview feedback especially in jobs with labor shortages and high turnover.
- Develop and maintain a knowledge management system to capture processes and procedures performed by employees who are in critical single incumbent positions and are eligible to retire (current and at-risk in the next three years). An effective knowledge management (and succession planning) process can help avoid disruptions to its business and leadership functions.
- Encourage employee development by allowing employees to attend state colleges and universities at a reduced rate, provide tuition reimbursement, and support and/or reward (e.g., purchase study

materials, pay for training courses, provide salary adjustments) employees for educational achievements (e.g., college degree, license, certification). Developing employees who earn college degrees in careers that are experiencing labor shortages can be beneficial for the enterprise (e.g., healthcare, social services, etc.).

- Implement policies to encourage agencies' presence on social networking websites like LinkedIn and Facebook. These websites can expose agencies to a new applicant pool and attract emerging leaders using innovative applicant sources. Social networking websites can also be used to help communicate the employer brand. Job boards can also be used in partnership with agency websites to boost hiring of highly qualified candidates.

Conclusion

Workforce planning is vital to ensuring that agencies are able to provide quality services to the citizens of Georgia. Since 2001, workforce planning has helped the State of Georgia understand where agencies need the most support in the areas of recruitment, retention and development. SPA has worked closely with agencies to strategically facilitate partnerships by connecting agencies experiencing similar workforce challenges. Effective planning assists in ensuring the right employees are in positions that are most critical to the state's operations.

Voluntary turnover in Georgia state government is currently 13%; its lowest point in the last eight years. The economic landscape in the last year created financial difficulty for American families with the rise in housing foreclosure rates and unemployment. The data suggests there is a correlation between economic performance and turnover trends. When the economy begins to recover, agencies will compete to attract and retain top talent. It is imperative for the state to continue developing and implementing human resource strategies that retain high performers.

Despite the historically low voluntary attrition figure, turnover has proven to be costly for the state. The cost of turnover amounted to approximately \$519 million during FY10. The state has opportunities to decrease the negative impact to the state's bottom line by assisting state agencies in the execution of human resource strategies cited in the workforce plans. Assuming that key financial variables remain constant in the next fiscal year, the cost of turnover could potentially be reduced by \$37.6 million simply by reducing turnover by 1%.

In addition to managing the problem of high turnover, the state's hiring moratorium has created the need for agencies and individual employees to work harder to accomplish agencies' strategic goals. Even though the number of statewide new hires increased by 35% from FY09, hiring activity has not been restored to levels before the start of the moratorium in March 2008. In light of the state's need to perform more work with less, state agencies have been vigilant in identifying creative and efficient ways to service Georgia citizens.

The outcomes of the workforce planning process provide a conduit for maximizing economies of scale by decreasing state spending and increasing the productivity of state workers. Georgia's approach to workforce planning allows the state to engage in continuous improvement in all operational facets. Georgia has been a trailblazer in leading the nation in workforce planning initiatives and continues to move closer to its goal of becoming the "Best Managed State."

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Appendix

Workforce Highlights

The following summary contains charts, tables and graphs depicting the demographic profile of the workforce, as well as, hiring, salary, turnover rates and other workforce trends. All employee and job related data* have been extracted from the PeopleSoft HCM System, as of July 2010, and represents employee information and transactions with agencies that utilize the PeopleSoft HCMS.

Key data points:

- Georgia's full-time equivalent (FTE) state employee workforce is currently at the lowest level since record keeping in PeopleSoft began (prior to FY 2000).
- The percentage of employees remaining in a Classified status is now 14.9%, down from 16.4% last fiscal year. Eighteen agencies no longer have any classified employees.
- The state continues to employ a considerably higher percentage of females and African-Americans than the overall labor force in Georgia and a smaller percentage of the Hispanic workforce.
- Hiring activity was slightly higher during the 2010 fiscal year, primarily due to a resumption of hiring into correctional occupations. Hiring activity in other occupational areas was mixed.
- Total turnover for Georgia State Government increased only slightly from the level experienced in FY 2009 (up two tenths to 13.8%), with a 10.4% rate of employees voluntarily leaving state government.
- Retirements accounted for 26% (up from 24% last FY) of all external, voluntary turnover during fiscal year 2010.
- Average age is currently (44.9) and the average tenure based on Service Date is currently (9.8).
- It is estimated that approximately 15% of today's workforce will be considered at-risk of retirement within the next 5 years.

To inquire further regarding this and other workforce related information, readers may visit our website at http://www.spa.ga.gov/employees/HR_Analytics.asp or contact the Workforce Analytics Unit at the State Personnel Administration (Jeff.Maile@spa.ga.gov).

*Counts and totals may be inconsistent between tables due to missing data items and/or rounding.

Executives: Workforce Tenure & Salary Observations

| | |
|---------------------|--|
| Key Findings | <ul style="list-style-type: none"> ▪ Over 70% of executives on the SRE pay plan are between the ages of 45 and 64. ▪ Almost 20% of executives on the SRE pay plan fulfill the at-risk retirement criteria <ul style="list-style-type: none"> * 60 years of age / 10 years of service * 50 years of age / 30 years of service ▪ Approximately 50% of executives on the SRE pay plan have less than ten years of tenure in state government. |
|---------------------|--|

Executive Compensation Summary

Average Salary \$104,818

Average Age 52 years

Turnover Rate for 2009/2010 15.4%

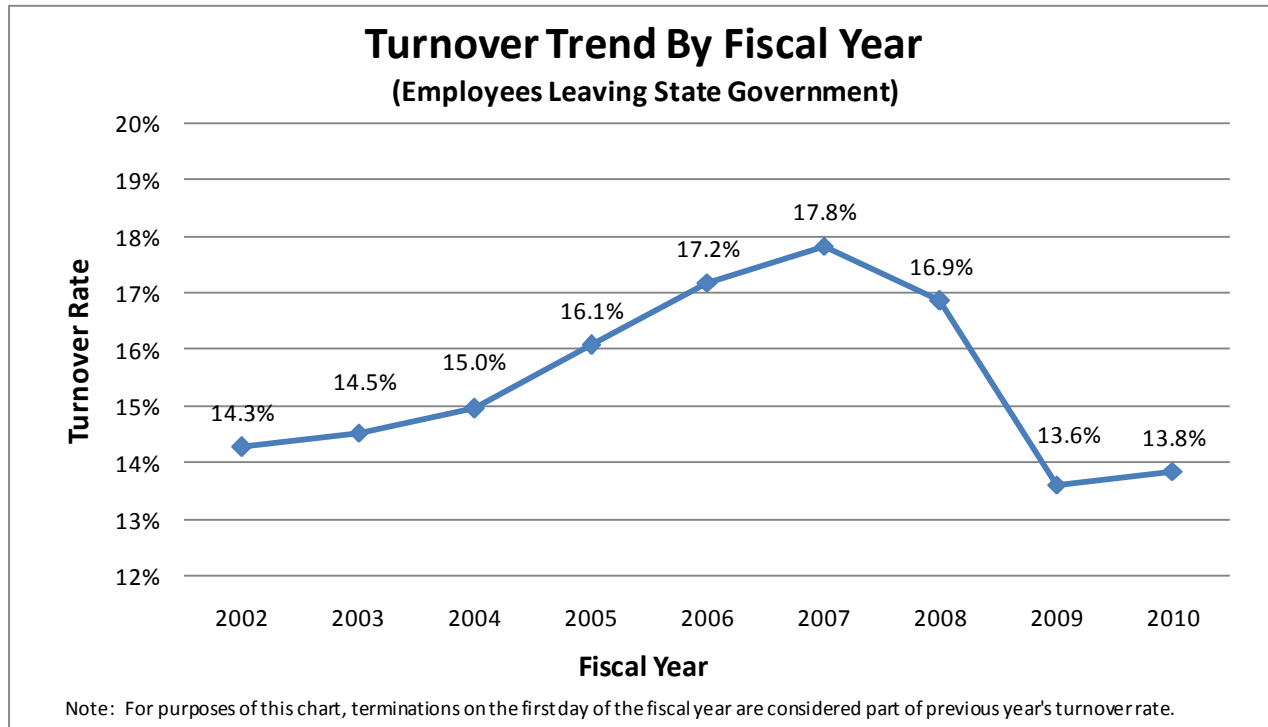
| | | Tenure | | | | | Total |
|-----|-------|------------|------------|------------|-----------|----------|------------|
| | | 0-9 | 10-19 | 20-29 | 30-39 | 40+ | |
| Age | 25-34 | 22 | 1 | | | | 23 |
| | 35-44 | 73 | 46 | 9 | | | 128 |
| | 45-54 | 87 | 56 | 79 | 17 | | 239 |
| | 55-64 | 105 | 47 | 40 | 16 | | 208 |
| | 65-74 | 12 | 9 | 2 | 1 | 1 | 25 |
| | 75+ | 2 | 1 | 1 | 1 | 2 | 7 |
| | Total | 301 | 160 | 131 | 35 | 3 | 630 |

| | | Tenure | | | | | Total |
|-----|-------|--------------|--------------|--------------|-------------|-------------|---------------|
| | | 0-9 | 10-19 | 20-29 | 30-39 | 40+ | |
| Age | 25-34 | 3.5% | 0.2% | | | | 3.7% |
| | 35-44 | 11.6% | 7.3% | 1.4% | | | 20.3% |
| | 45-54 | 13.8% | 8.9% | 12.5% | 2.7% | | 37.9% |
| | 55-64 | 16.7% | 7.5% | 6.3% | 2.5% | | 33.0% |
| | 65-74 | 1.9% | 1.4% | 0.3% | 0.2% | 0.2% | 4.0% |
| | 75+ | 0.3% | 0.2% | 0.2% | 0.2% | 0.3% | 1.1% |
| | Total | 47.8% | 25.4% | 20.8% | 5.6% | 0.5% | 100.0% |

** Data as of 7/9/2010, executives on the SRE salary plan only*

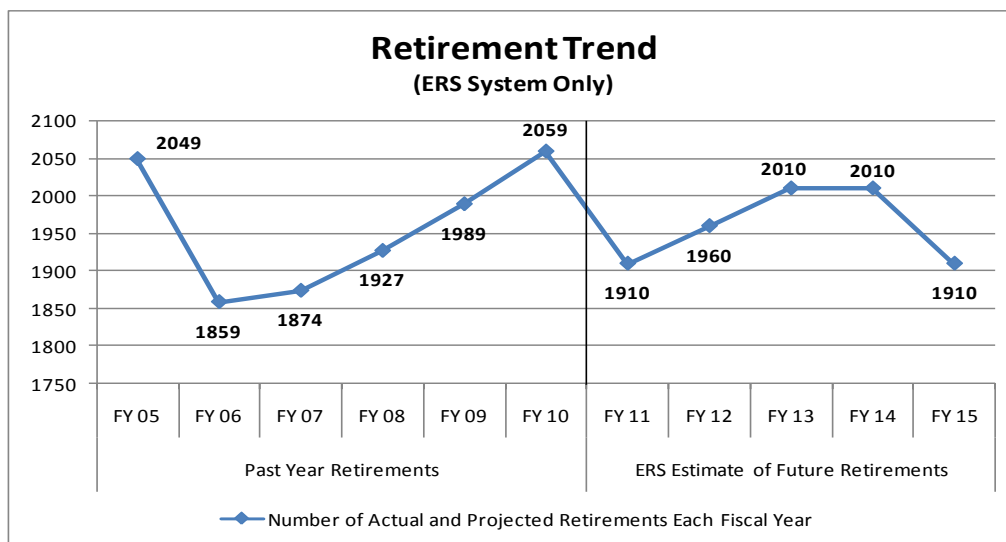
Turnover

8-Year Turnover Trend



Retirement

Retirement Trend



*** Retirement projection numbers have been adjusted this year to reflect state employee retirements only. Survivor deaths and TRS retirements not included.**

For more information regarding Workforce Planning in the State of Georgia, please contact Ann Phillips, Division Director for Workforce Services at (404) 657-3407 or tann.phillips@spa.ga.gov.